

# GIFT AGREEMENT



A gift agreement documents the mutual understanding between a donor and an organization regarding the donor's charitable contribution. A well-written gift agreement is the best way to ensure that a donor and the City have the same understanding for the various aspects of a major gift including: record keeping, purpose of the gift, payments schedule, obligations and restrictions, and expectations for recognition. A gift agreement can prevent misunderstandings, preserve the donor's intent, and is an investment in responsible donor stewardship.



## WHAT SHOULD A GIFT AGREEMENT INCLUDE?

Names of the parties to the agreement (the donor and the recipient)

Start date

End date (where applicable)

Gift amount (or description when a gift is a tangible asset, such as artwork or equipment)

Gift schedule and mode of giving (e.g., in three installments over three years by bank transfer)

The intended purpose of the gift as specified by the donor

How the recipient intends to fulfill this purpose

How/if the recipient will acknowledge the gift

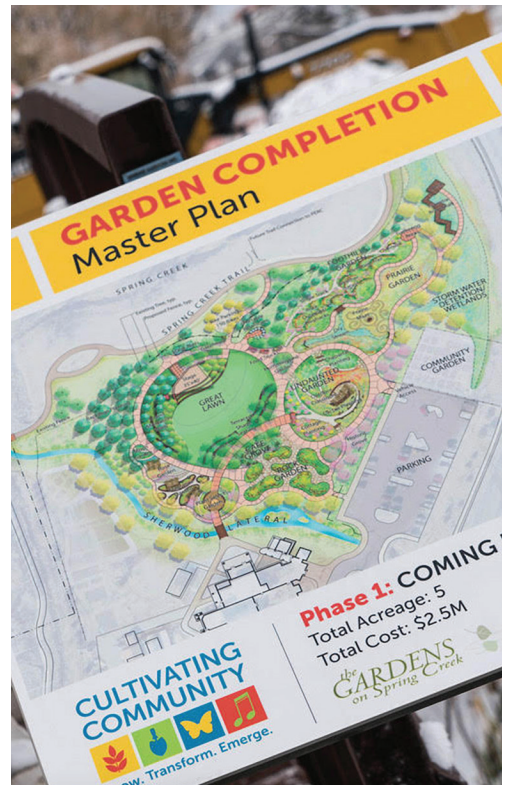
Any expectations for monitoring, reporting and stewardship activities

Specific, realistic, or measurable guidelines or restrictions on the organization's use of the gift

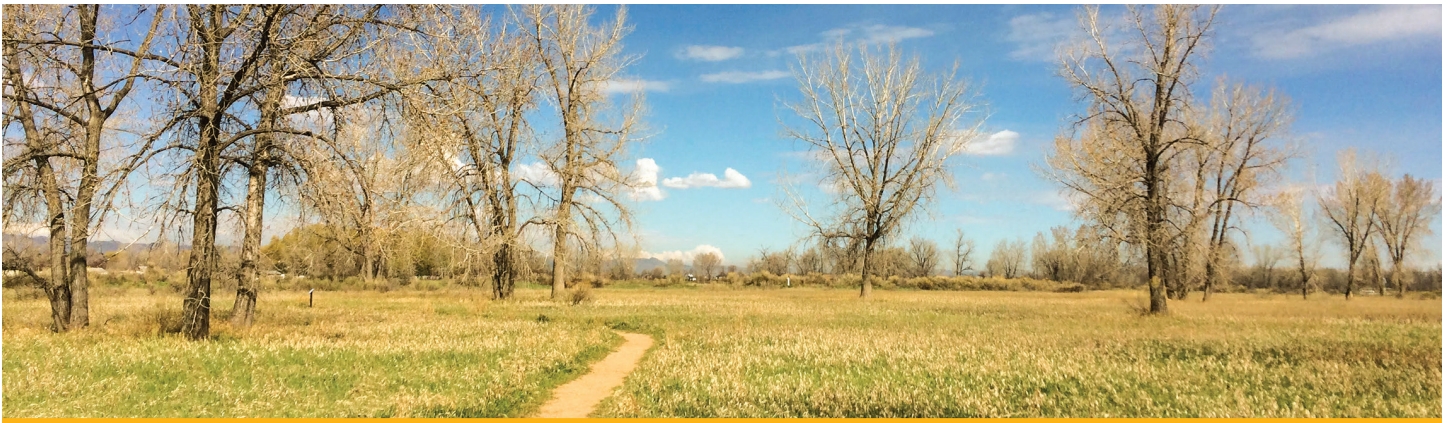
An 'amendment clause' stating how the purpose of the gift might be changed, should unforeseen future circumstances arise

A reciprocal clause detailing what action might be taken to protect the reputation of either party, should the reputation of the donor or recipient be questioned at a future date

A place for both parties to sign and date the agreement



In general, the terms of any gift should be as flexible as possible to permit the most productive use of the funds over time, while clearly stating the intent of the donor.



## TYPES OF GIFT AGREEMENTS

### A Gift Agreement with Donor Recognition

### A Gift Agreement with No Recognition

**A Notice Letter is a written acknowledgment of a gift and includes any terms of the gifts and expectations for deliverables or reporting. It's a formal acceptance of a gift and is often used 1) when a donor doesn't desire or expect recognition; or 2) the total gift doesn't meet the organization's threshold for a major gift.**

**A Notice Letter with Recognition outlines the terms of donor recognition associated with a gift that doesn't meet the organization's threshold for a major gift to be governed by a full gift agreement. For instance, a memorial bench.**

A signed award letter from a foundation or corporation is an acceptable form of gift documentation if it details the gift's designation, use, reporting requirements, giving vehicle, contribution schedule, recognition, and/or other obligations agreed upon.

Wills, trusts, or other estate planning documents are acceptable forms of gift documentation. However, to help ensure the donor's future philanthropic intent is fully realized, the City will work with the donor to create a Beneficiary Designation Form.

## CITY OF FORT COLLINS

A gift agreement will be created for donations valued at \$25,000 or more given to benefit the City of Fort Collins. The gift agreement will be signed by the Departmental Director and the City Give Director.

A charitable gift of more than \$25,000 given to supporting 501(c)3's to benefit the City of Fort Collins also warrants a gift agreement to ensure all parties involved—the donor, the support league and the City—not only agree to the terms of the gift but are able to meet the expectations of the donor. Third-party gifts agreements are to be signed by the donor, Board Chair of the 501(c)3, and Departmental Director, forwarded to City Give Director.

